GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4042
ANSWERED ON:18.04.2002
RECOMMENDATIONS OF SABANAYAGAM COMMITTEE
T.M. SELVAGANAPATHI

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have constituted an expert group to examine the representations received from the Chamber of Nidhis;

(b) if so, the details thereof;

(c) whether the Nidhi Companies have made representations with regard to the problems being faced by resulting into implementation of recommendations of the Sabanayagam Committee; and

(d) if so, the details thereof?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a)& (b) : Yes, Sir. An Expert Group under the Chairmanship of Shri A.R.Rao, Ex-Chairman, Income Tax Settlement Commission along with five other members including representatives of Reserve Bank of India, Chamber of Nidhis, Chamber of Benefit Funds was constituted vide order dated 13.2.2002 to examine various representations received pursuant to implementation of the recommendations of the Sabanayagam Committee. The said Expert Group has since submitted its report.

(c)&(d) Yes, Sir. Based upon the recommendations made by the Sabanayagam Committee, two Notifications both dated 26.7.2001 were issued. After issue of these Notifications. the Chamber of Nidhis and Federation of Benefit Funds had made representations in respect of certain issues. The main issues on which representations were received relate to face value of shares, ratio of net-owned fund to deposits, implementation of prudential norms, ceiling on property loans, etc.